



Thomas Cook Employees Stock Option Plan 2013

Thomas Cook (India) Limited



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1. Name, Objective and Term of the ESOP 2013

- 1.1 This Scheme shall be called the Thomas Cook Employees Stock Option Plan 2013 (“ESOP 2013”).
- 1.2 The objective of the ESOP 2013 is to reward the Senior Employees of the Company for their performance and to motivate them to contribute to the growth and profitability of the Company. The Company also intends to use this Scheme to retain talent in the organization. The Company views Employee Stock Options as instruments that would enable the Employees to share the value they create for the Company and align individual objectives of employees with objectives of the Company in the years to come.
- 1.3 The ESOP 2013 is established with effect from **October 25th, 2013** and shall continue to be in force until (i) its termination by the Board; or (ii) the date on which all of the options available for issuance under the ESOP 2013 have been issued and exercised.

2. Definitions and Interpretation

2.1 Definitions

- i. **“Agreement”** means the Employee Stock Option Agreement between the Company and the Employee evidencing the terms and conditions of the option grant. The Agreement is subject to the conditions of ESOP 2013.
- ii. **“Applicable Law”** means every law relating to Employee Stock Options, as amended from time to time, including, without limitation to, the Companies Act, 2013, Securities Exchange Board of India Act, 1992, the Securities Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and all relevant tax, securities, exchange control or corporate laws of India or any relevant jurisdiction or of any stock exchange on which the shares are listed or quoted.
- iii. **“Board”** means the Board of Directors of the Company.
- iv. **“Companies Act”** means The Companies Act, 2013 and includes any statutory modifications or reenactments thereof.

- v. **“Company”** means “Thomas Cook (India) Limited” having its registered office at Thomas Cook Building, Dr. D.N. Road, Fort, Mumbai - 400001
- vi. **“Company Policies/Terms of Employment”** means the Company’s policies for employees and the terms of employment as contained in the Employment Letter and the Company Handbook, which includes provisions for securing Confidentiality, Non Compete and non Poaching of other Employees and customers.
- vii. **“Committee”** means a Nomination & Remuneration Committee of Board of Directors, by whatever name called, consisting of a majority of independent directors, constituted by the Board of Directors from time to time inter alia to administer ESOP 2013 or any other ESOP Scheme.
- viii. **“Director”** means a member of the Board of the Company.
- ix. **“Eligibility Criteria”** means the criteria as may be determined from time to time by the Committee for granting the Employee Stock Options to the employees.
- x. **“Employee”** means (i) a permanent employee of the Company working in India or out of India; or (ii) an executive director of the Company or (iii) an employee, as defined in sub-clauses (i) or (ii) in this Para, of a subsidiary, in India or out of India, but excludes-
 - a. an employee who is a promoter or belongs to the promoter group;
 - b. a director who either by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% of the outstanding Shares of the Company;
 - c. a non executive director.
- xi. **“Employee Stock Option” or “Option”** means the option granted to an Employee, which gives such Employee the right, but not an obligation, to purchase or subscribe at a future date the shares underlying the option at a pre-determined price.

- xii. **“ESOP 2013”** means this Thomas Cook Employees Stock Option Plan 2013 under which the Company is authorized to grant Employee Stock Options to the Employees.
- xiii. **“Exercise”** of an Option means expression of an intention by an Employee to the Company to purchase the Shares underlying the Options vested in him, in pursuance of the ESOP 2013, in accordance with the procedure laid down by the Company for exercise of options.
- xiv. **“Exercise Period”** means such time period as defined in clause 7 (b) and (c) of the ESOP 2013.
- xv. **“Exercise Price”** means the price payable by the Employee in order to exercise the Options granted to him as defined in Clause 7 (a) of the ESOP 2013.
- xvi. **“Grant”** means issue of Options to the Employees under the ESOP 2013.
- xvii. **“Market Price”** means the latest available closing price, prior to the date of meeting of the Board/ Committee, in which options are granted/shares are issued, on the stock exchange on which the shares of the company are listed. In case shares are listed on more than one stock exchange, then the stock exchange where there is highest trading volume on the said date shall be considered.
- xviii. **“Non Executive Director”** means any director (including independent directors) other than executive director(s) of the Company
- xix. **“Option Grantee”** means an Employee who has been granted an Employee Stock Option in pursuance of the ESOP 2013.
- xx. **“Permanent Incapacity”** means any disability of whatsoever nature, be it physical, mental or otherwise, which incapacitates or prevents or handicaps an Option Grantee from performing any specific job, work or task which the said Employee was capable of performing immediately before such disablement, as determined by the Committee based on a certificate of a medical expert identified by the Board.

- xxi. **“Promoter”** means (a) the person or persons who are in over-all control of the company; (b) the person or persons who are instrumental in the formation of the company or programme pursuant to which the shares were offered to the public; (c) the person or persons named in the offer document as promoter(s). Provided that a director or officer of the Company, if they are acting as such only in their professional capacity will not be deemed to be a promoter.
- xxii. **“Promoter Group”** means (a) an immediate relative of the promoter (i.e. spouse of that person, or any parent, brother, sister or child of the person or of the spouse); (b) persons whose shareholding is aggregated for the purpose of disclosing in the offer document “shareholding of the promoter group”.
- xxiii. **“Recognised Stock Exchange”** means the BSE, NSE or any other Stock Exchange in India on which the Company’s Shares are listed or to be listed.
- xxiv. **“SEBI SBEB Regulations”** means the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended and includes all regulations, clarifications and statutory modifications issued there under and also any new regulations on the matter of share based employee benefits.
- xxv. **“Shares”** means equity shares of the Company arising out of the exercise of Employee Stock Options granted under the ESOP 2013.
- xxvi. **“Subsidiary company”** means any present or future subsidiary company of the Company, as defined in the Companies Act, 2013.
- xxvii. **“Vest” or “Vesting”** means earning by the Option Grantee, of the right to Exercise the Employee Stock Options granted to him in pursuance of the ESOP 2013.
- xxviii. **“Vesting Condition”** means the conditions subject to which the options granted would vest in an Option Grantee.
- xxix. **“Vesting Period”** means the period, during which the vesting of the Employee Stock Option granted to the Option Grantee, in pursuance of ESOP 2013 takes place.

xxx. **“Vested Option”** means an Option in respect of which the relevant Vesting Conditions have been satisfied and the Option Grantee has become eligible to exercise the Option.

xxxi. **“Unvested Option”** means an Option in respect of which the relevant Vesting Conditions have not been satisfied and as such, the Option Grantee has not become eligible to exercise the Option.

2.2 Interpretation

In this Scheme, unless the contrary intention appears:

- a) the clause headings are for ease of reference only and shall not be relevant to interpretation;
- b) a reference to a clause number is a reference to its sub-clauses;
- c) words in singular number include the plural and vice versa;
- d) words importing a gender include any other gender;
- e) a reference to a Schedule includes a reference to any part of that Schedule which is incorporated by reference.

3. Authority and Ceiling

- 3.1 The Shareholders vide special resolution dated **25th October, 2013** passed through postal ballot, has resolved to issue to employees of the Company and/ or its subsidiaries under ESOP Scheme 2013, not more than 4,771,896 options convertible into 4,771,896 shares of face value of Re. 1 each, with each such option conferring a right upon the employee to be issued one equity share of the Company, in accordance with the terms and conditions of such issue.
- 3.2 If an Employee Stock Option expires or becomes un-exercisable due to any other reason, it shall become available for future Grants, subject to compliance with all Applicable Laws. The Committee will have powers to re-grant such options.

- 3.3 Where Shares are issued consequent upon exercise of an Employee Stock Option under the ESOP 2013, the maximum number of Shares that can be issued under ESOP 2013 as referred to in Clause 3.1 above will stand reduced to the extent of such Shares issued.
- 3.4 In case of a share-split where the face value of the shares is reduced below Re. 1, the maximum number of shares available for being granted under ESOP 2013 shall stand modified accordingly, so as to ensure that the cumulative face value (No. of shares X Face value per share) prior to such split remains unchanged after the share split. Thus, for instance, if the face value of each share is reduced to Re. 0.50, the total number of shares available under ESOP 2013 would be 9,543,792 equity shares of Re. 0.50 each.
- 3.5 In case of a consolidation where the face value of the shares is increased above Re. 1, the maximum number of shares available for being granted under ESOP 2013 shall stand modified accordingly, so as to ensure that the cumulative face value (No. of shares X Face value per share) prior to such consolidation remains unchanged after the share consolidation. Thus, for instance, if the face value of each share is increased to Rs. 2, the total number of shares available under ESOP 2013 would be 2,385,948 equity shares of Rs. 2 each.

4. Administration

- 4.1 The ESOP 2013 shall be administered by the Nomination and Remuneration Committee. All questions of interpretation of the ESOP 2013 shall be determined by the Committee and such determination shall be final and binding upon all persons having an interest in the ESOP 2013.
- 4.2 The Committee shall in accordance with this Scheme and Applicable Laws determine the following:
- (a) The quantum of Employee Stock Options to be granted under the ESOP 2013 per Employee, subject to the ceiling as specified in Para 3.1;
 - (b) The Eligibility Criteria;
 - (c) The procedure for making a fair and reasonable adjustment in case of corporate actions such as merger, sale of division, stock split / consolidation, rights issues, bonus issues and others;

- (d) The procedure and terms for the Grant, Vest and Exercise of Employee Stock Option in case of Option Grantees who are on long leave;
- (e) The procedure for cashless exercise of Employee Stock Options, if required;
- (f) Approve forms, writings and/or agreements for use in pursuance of the ESOP 2013.
- (g) Frame suitable policy, procedure and system to comply with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003 as amended from time to time to be followed by the Employee.

5. Eligibility and Applicability

- 5.1 Only Employees are eligible for being granted Employee Stock Options under ESOP 2013. The specific Employees to whom the Options would be granted and their eligibility criteria would be determined by the Committee.
- 5.2 The Scheme shall be applicable to the Employees and Executive Director(s) of the Company, its Subsidiary companies in India and abroad, as determined by the Committee on its own discretion from time to time.

6. Vesting Schedule / Conditions

Options granted under ESOP 2013 would Vest after 4 years but not later than 7 years from the date of grant of such options. Vesting of options would be subject to continued employment with the Company and certain performance parameters.

The attainment of such performance parameters would be a mandatory condition for vesting of options as determined by the Committee from time to time. The specific performance parameters will be decided by the Committee from time to time and will be communicated to the employees.

7. Exercise

- a) The Exercise Price shall be equal to face value of shares i.e Rs. 1 per option.

Payment of the Exercise Price shall be made by a crossed cheque or a demand draft drawn in favour of the Company, or in such other manner as the Committee may permit.

- b) The Employee Stock Options granted shall be capable of being exercised either at one time or at various points of time within a period of 20 years from the date of Vesting of the respective Employee Stock Options.

- c) The Option's can be exercised as per the provisions outlined in the table below:

		Vested*	Unvested*
1	Resignation / Termination (other than due to misconduct or breach of company policies/terms of employment)	All the Vested Options as on the date of submission of resignation shall be exercisable by the Option Grantee before his last working day with the Company.	All Unvested Options on the date of submission of resignation shall stand cancelled with effect from that date.
2	Termination due to misconduct or due to material breach of policies or the terms of employment	All the Vested Options which were not exercised at the time of such termination shall stand cancelled with effect from the date of such termination.	All Unvested Options on the date of such termination shall stand cancelled with effect from the termination date.
3	Retirement / Early Retirement approved by the Company	All Vested Options can be exercised by the Option Grantee immediately after, but in no event later than six months from the date of such retirement.	All Unvested Options would continue to vest in accordance with the company's policies and applicable laws.

4	Death	All Vested Options may be Exercised by the Option Grantee's nominee or legal heirs immediately after, but in no event later than six months from the date of Death.	All the Unvested Options as on the date of death shall vest immediately and may be exercised by the Option Grantee's nominee or legal heirs immediately after, but in no event later than six months from the date of Death.
5	Termination due to Permanent Incapacity	All Vested Options may be Exercised by the Option Grantee or, in case of his death, or inability to exercise due to such incapacity, the nominee or legal heirs, immediately after, but in no event later than six months from the date of such incapacity.	All the Unvested Options as on the date of such permanent incapacity shall vest immediately and can be exercised by the Option Grantee or, in case of his death, or inability to exercise due to such incapacity, the nominee or legal heirs immediately after, but in no event later than six months from the date of termination of employment of the Option Grantee.
6	Other Reasons Apart from those mentioned above	The Committee will decide whether the Vested Options as on that date can be exercised by the Option Grantee or not, and such decision shall be final.	All Unvested Options on the date of separation shall stand cancelled with effect from that date.

*Subject to the maximum exercise period approved by the Shareholders of the Company from the date of vesting of options.

d) Lapse of options

The Options not exercised within the Exercise Period prescribed above shall lapse and the Option Grantee shall have no right over such lapsed or cancelled options.

- e) In the event of transfer of an Option Grantee from the company to the holding or subsidiary of the company, the Unvested Options as on the date of transfer, will continue to vest as per the original schedule and be exercised, subject to the compliance of the applicable laws.

8. Other Terms and Conditions

- 8.1 Nothing herein is intended to or shall give the Option Grantee any right or status of any kind as a shareholder of the Company (for example, bonus shares, rights shares, dividend, voting, etc) in respect of any Shares covered by the Grant unless the Option Grantee Exercises the Employee Stock Option and becomes a registered holder of the Shares of the Company.
- 8.2 The Employee Stock Option shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner.
- 8.3 If the Company issues bonus or rights shares, the Option Grantee will not be eligible for the bonus or rights shares in the capacity of an Option Grantee. However, an adjustment to the number of options or the exercise price or both would be made in accordance with Clause 4.2(c) of ESOP 2013.
- 8.4 Employee Stock Options shall not be transferable to any person except in the event of death of the Option Grantee or inability to exercise due to permanent incapacity, in which case clause 7(c) would apply.
- 8.5 No person other than the Option Grantee to whom the Employee Stock Option is granted shall be entitled to Exercise the Employee Stock Option except in the event of the death of the Option Grantee or inability to exercise due to permanent incapacity, in which case clause 7(c) would apply.

9. Taxation

- i. The liability of paying taxes if any, in the Employee Stock Option granted pursuant to this Scheme and the shares issued pursuant to exercise of rights shall be entirely on Option Grantee holder and shall be in accordance with the provisions of Income tax Act, 1961 and the rules framed thereunder.
- ii. The Company shall have the right to deduct from the Option Grantee's salary, any of the Option Grantee's tax obligations arising in connection with the Employee Stock Options or the Shares acquired upon the Exercise thereof. The Company shall have no obligation to

deliver Shares until the Company's tax deduction obligations, if any have been satisfied by the Option Grantee.

10. Authority to vary terms

The Board/ Committee may, if it deems necessary, vary the terms of ESOP 2013, subject to the compliance of the Applicable Laws.

11. Miscellaneous

11.1 Government Regulations

This ESOP 2013 shall be subject to all Applicable Laws, and approvals from governmental authorities.

11.1.1 Inability to obtain approval

The inability of the Company to obtain approval from any regulatory body having jurisdiction over the Company, or under any Applicable Laws, for the lawful issuance and sale of any Shares hereunder shall relieve and wholly discharge the Company of any and all liability in respect of the failure to issue or sell such Shares.

11.2 The grant of an Employee Stock Option does not form part of the Option Grantee's entitlement to compensation or benefits pursuant to his contract of employment nor does the existence of a contract of employment between any person and the Company give such person any right or entitlement to have an Employee Stock Option granted to him in respect of any number of shares or any expectation that an Employee Stock Option might be granted to him whether subject to any condition or at all.

11.3 Neither the existence of this Scheme nor the fact that an individual has on any occasion been granted an Employee Stock Option shall give such individual any right, entitlement or expectation that he has or will in future have any such right, entitlement or expectation to participate in this Scheme by being granted an Employee Stock Option on any other occasion.

11.4 The rights granted to an Option Grantee upon the grant of an Employee Stock Option shall not afford the Option Grantee any rights or additional rights to compensation or damages in consequence of the loss or termination of his office or employment with the company for any reason whatsoever (whether or not such termination is ultimately held to be wrongful or unfair).

11.5 The Option Grantee shall not be entitled to any compensation or damages for any loss or potential loss which he may suffer by reason of being unable to exercise an Employee Stock Option in whole or in part.

12. Notices

All notices of communication required to be given by the Company to an Option Grantee by virtue of this ESOP 2013 shall be in writing and shall be sent to the address of the Option Grantee available in the records of the Company and any communication to be given by an Option Grantee to the Company in respect of ESOP 2013 shall be sent to the address mentioned below:

The Managing Director
Thomas Cook (India) Limited
Thomas Cook Building, Dr. D.N. Road, Fort, Mumbai - 400001

13. Governing Law and Jurisdiction

13.1 The terms and conditions of the ESOP 2013 shall be governed by and construed in accordance with the laws of India.

13.2 The Courts of Mumbai, India shall have jurisdiction in respect of any and all matters, disputes or differences arising in relation to or out of this ESOP 2013.

14. Income Tax Rules

The Income Tax Laws and Rules in force will be applicable.

15. Severability

In the event any one or more of the provisions contained in this ESOP 2013 shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this ESOP 2013, but this ESOP 2013 shall be construed as if such invalid, illegal or unenforceable provision had never been set forth herein, and the ESOP 2013 shall be carried out as nearly as possible according to its original terms and intent.

16. Accounting Policy

In respect of Employee Stock Options granted pursuant to the ESOP 2013, the Company shall follow the accounting requirements including the disclosure requirements of the SBEB Regulations, Accounting Standards prescribed by the Central Government in terms of section 133 of the Companies Act, 2013 (18 of 2013) including any 'Guidance Note on Accounting for employee share-based Payments' issued in that regard from time to time.

17. Certificate from Auditors

The Board shall at each annual general meeting place before the Shareholders a certificate from the secretarial auditors of the Company that the Scheme has been implemented in accordance with the SEBI SBEB Regulations and in accordance with the resolution of the Company in the general meeting.

18. Confidentiality

Employees must keep the details of the ESOP 2013 and all other documents in connection thereto strictly confidential and must not disclose the details with any of his peer, colleagues, co-employees or with any employee and/ or associate of the Company or that of its affiliates. In case Option Grantee is found in breach of this Confidentiality Clause, the Company has undisputed right to terminate any Agreement and all unexercised options shall stand cancelled immediately. The decision and judgment of the Company regarding breach of this Confidentiality Clause shall be final, binding and cannot be questioned by Option Grantee. In

case of non-adherence to the provisions of this clause, the Committee will have the authority to deal with such cases as it may deem fit.

The Option Grantee agrees that the Company may be required to disclose information of the option grantee during the process of implementation of the ESOP or while availing services relating to ESOP consulting, advisory services or ESOP Management services and/ or any other such incidental services. The Option Grantee hereby accords his consent that such confidential information regarding his ESOP entitlements may be disclosed by the Company to its officers, professional advisors, agents and consultants on a need to know basis.